



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
September 2016

<u>Fraud Statistics</u>	<u>Month/September</u>	<u>YTD</u>
Total Referrals Received.....	155	1,315
Closed Referrals.....	156	2,854
Open Cases (Investigations – includes prior years).....		329
Assigned Cases (Investigations).....	12	160
Closed Cases (Investigations).....	16	245
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....		10
Charges (13 felony, 2 misdemeanor)	15	74
Convictions (1 felony, 1 misdemeanor)	2	113
Restitution Ordered.....	\$ 114,440.61	3,030,707.05
Restitution Agreed.....	\$.00	.00
Restitution Total.....	\$ 114,440.61	3,030,707.05
Investigation Expenses to Division		
Awarded.....	\$ 500.00	5,250.00
Collected.....	\$ 341.75	4,235.90
DOI Fines.....	\$ 1,000.00	1,000.00
Administrative Subpoenas Issued.....		12
Non-Licensed Individuals.....		12
Licensed (active/inactive individuals).....		
Subpoenas Received.....	3	42

Convictions Activity

Brian Johnson – Johnson cashed bogus checks from a claims adjuster and split the money with him. Johnson was sentenced to six months in the custody of the U.S. Bureau of Prisons and home detention for six months followed by three years of supervised release. Johnson was ordered to pay restitution of \$69,202.81 to Chubb Insurance Company.

Terry Mills – Mills, an agent, took money from policyholders under the premise he was going to invest the money and use it to pay premiums. No investments were made and only some of the premiums were paid. Mills pleaded guilty to fraudulent insurance acts under \$500 and paid restitution of \$13,688.50. Mills was sentenced to 12 months, conditionally discharged after two years, and ordered to perform five hours of community service per week for the first year of probation.